MANAGERIAL CONTROL

by Dr. Satyabrata Dash

Definition of Controlling

Henry Fayol: Control consists in verifying whether everything occurs in conformity with the plan adopted, the instructions issued and the principles established.

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DEFINITION OF CONTROL

Koontz and O'Donnell:
Controlling implies measurement of accomplishment /performance against the standard & the correction of deviations to assure attainment of objectives according to plans.

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Controlling ppt

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CONTROLLING AS A MANAGEMENT FUNCTION

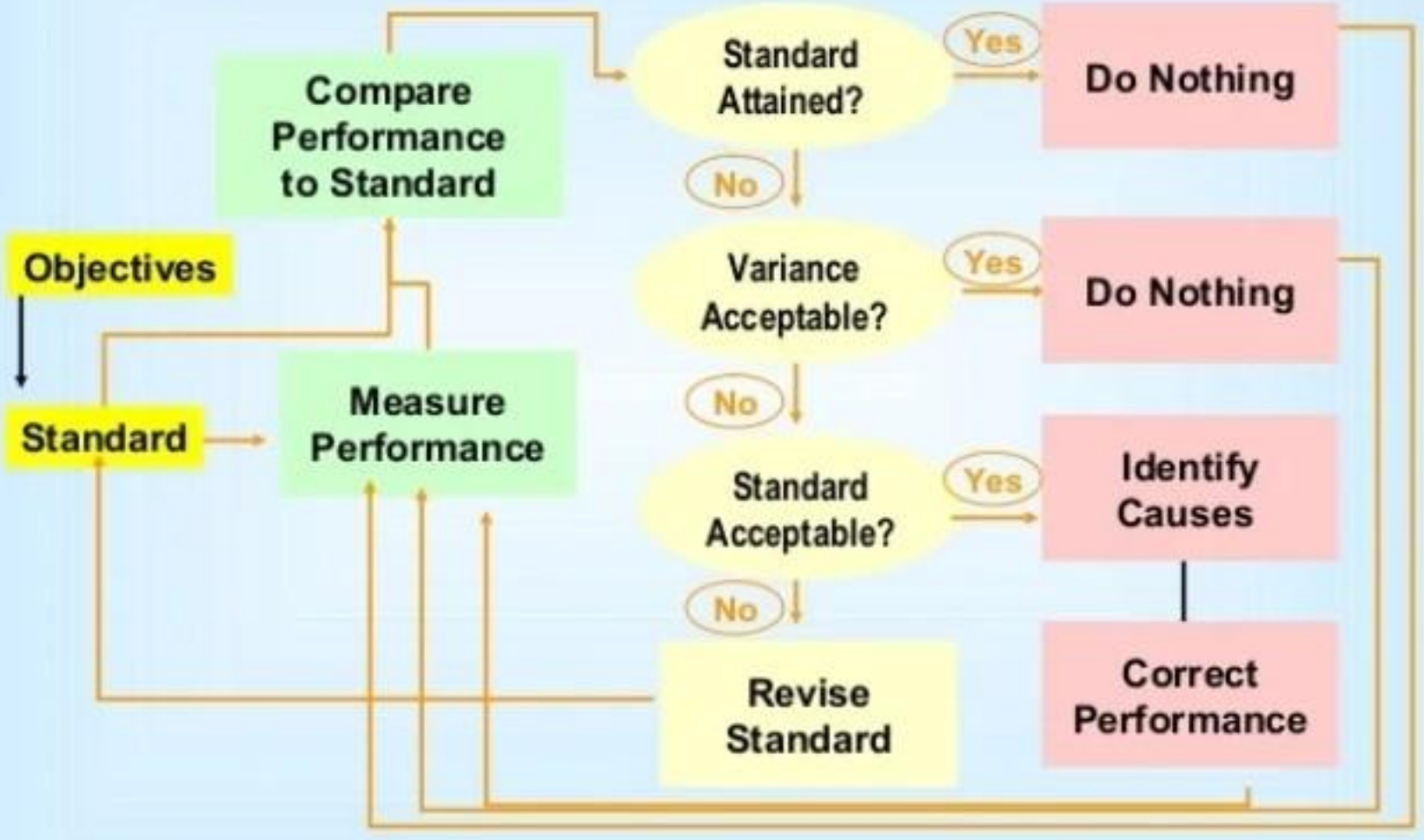
- A **process** of monitoring performance and **taking action** to ensure desired results.
- It sees to it that the **right things** happen, in the **right ways**, and at the **right time**.
- Done well, it ensures that the **overall directions** of individuals and groups are **consistent** with short and long range **plans** of the organisation
- It helps ensure that **objectives** and accomplishments are **consistent** with one another throughout an organization.
- It helps maintain **compliance with** essential organizational **rules and policies**.

FEATURES/CHARACTERSTICS OF CONTROLLING

- Continuous process.
- Flexible and dynamic process.
- Future oriented.
- Planning and controlling closely related.
- Function of management.

- Strategic and results oriented
- Understandable
- Timely and exception oriented
- Essence of control is action

The Control Process



THE CONTROL PROCESS

- ***Establish objectives and standards-***

  Performance objectives are defined and the standards for measuring them are set. There are two types of standards-output standard and input standard

- ***Measure actual performance-***

  To spot deviations or variances between what really occurs and what is most desired.

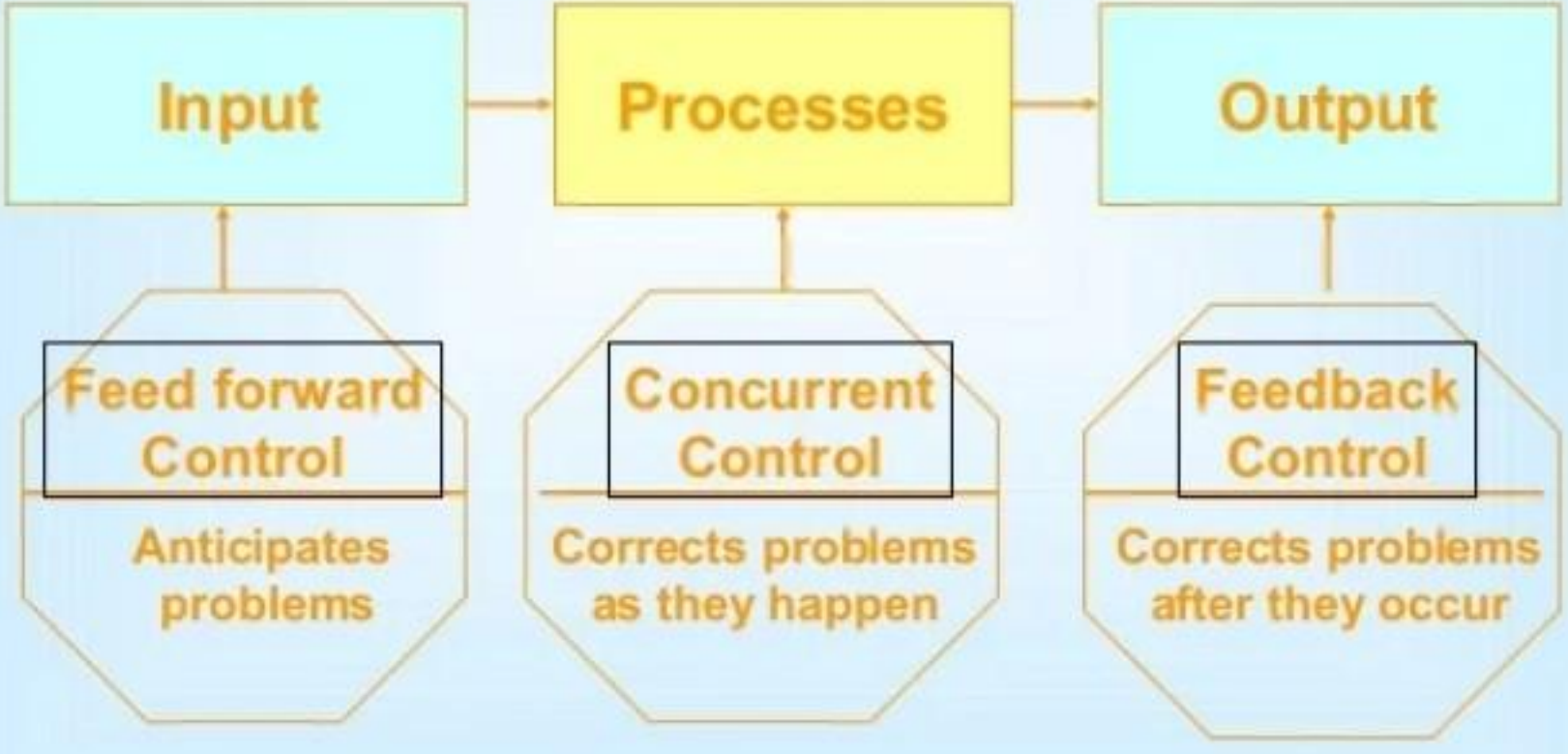
- ***Comparing Results with Objectives and Standards***

  Establishes the need for action. Ways of making comparisons: Historical / Relative and Benchmarking

- ***Taking Corrective Action-***

  Taking any action necessary to correct or improve things.

Three types of control on the basis of time of action



PRELIMINARY/ FEED FORWARD

Sometimes called the feed forward controls, they are accomplished before a work activity begins.

They make sure that proper directions are set and that the right resources are available to accomplish them.

CONCURRENT

Focus on what happens during the work process. Sometimes called steering controls, they monitor ongoing operations and activities to make sure that things are being done correctly.

FEEDBACK/POSTACTION

Sometimes called feedback controls, they take place after an action is completed. They focus on end results, as opposed to inputs and activities.

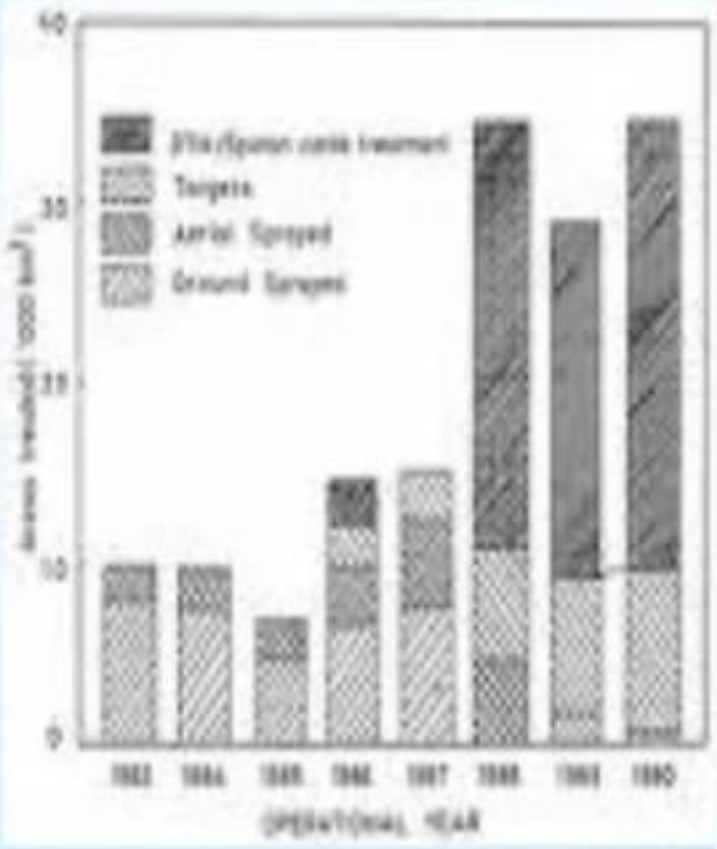
Control Techniques

Control techniques may be broadly classified into two categories:-

- Traditional control techniques.
- Advance / Modern control techniques.

Traditional Control Techniques:-

- Personal observation.
- Statistical reports and analysis.
- Break-even analysis.
- Budgetary control.



Advance control techniques:-

- Self Control
- Management Audit.
- Programme Evaluation and Review Techniques (PERT).
- Critical Path Method (CPM).
- Management Information Systems (MIS).

Importance of Controlling

Guide to Operations

- Measures Progress
- Uncover Deviations
- Indicate Corrective Action

Policy Verification

- Verify quality of various plans
- Helps to review , revise and update plans
- Helps to carry out the plans successfully

Managerial Accountability

- Manager responsible for ultimate performance
- Managers check performance of subordinates
- Control help them to discharge their responsibilities
- Facilitates decision making and better management

Employee Morale

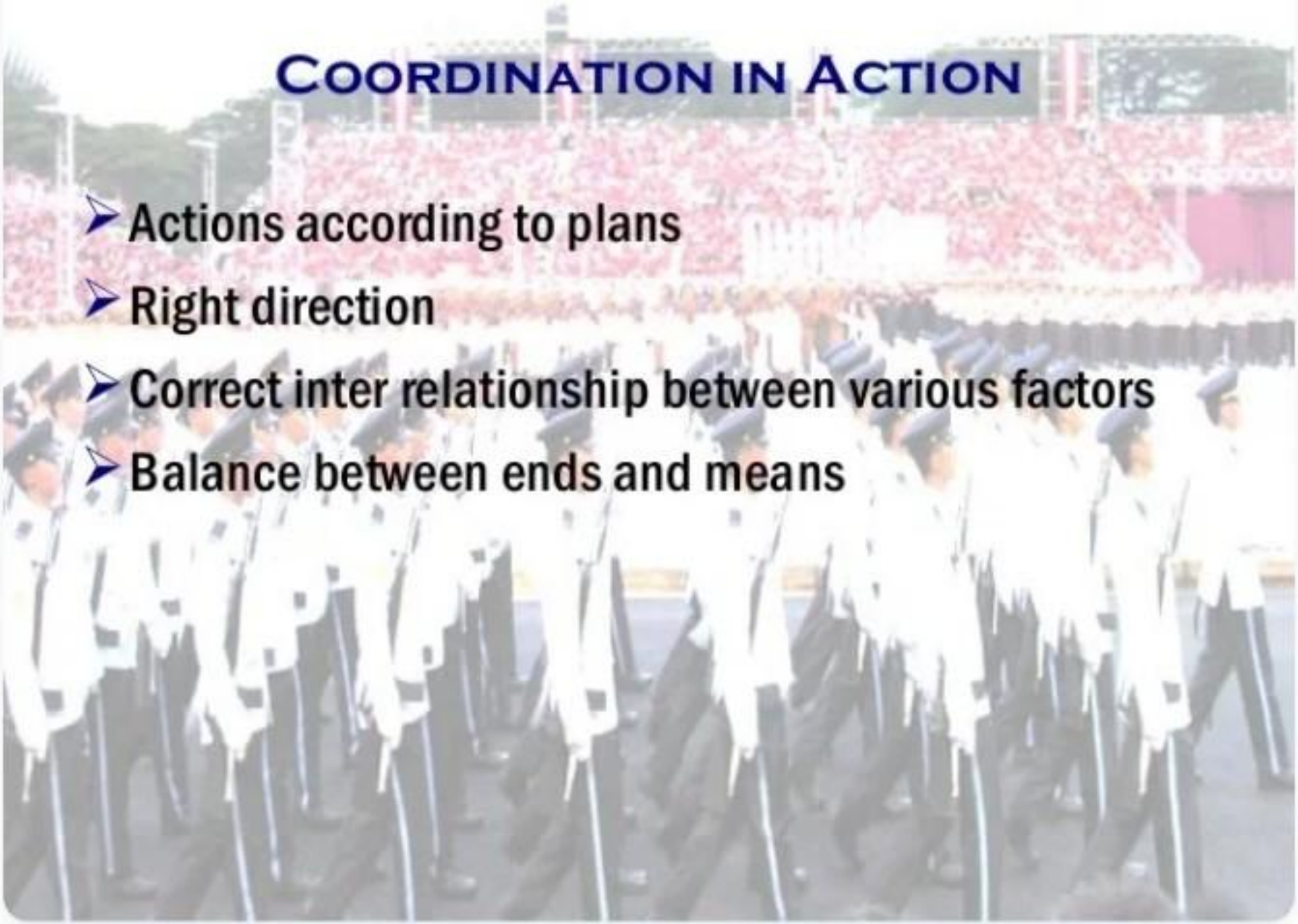
- Control brings order and discipline
- Absence of control – lower employee morale

Psychological Pressure

- Motivates employees to perform better
- Rewards and recognition

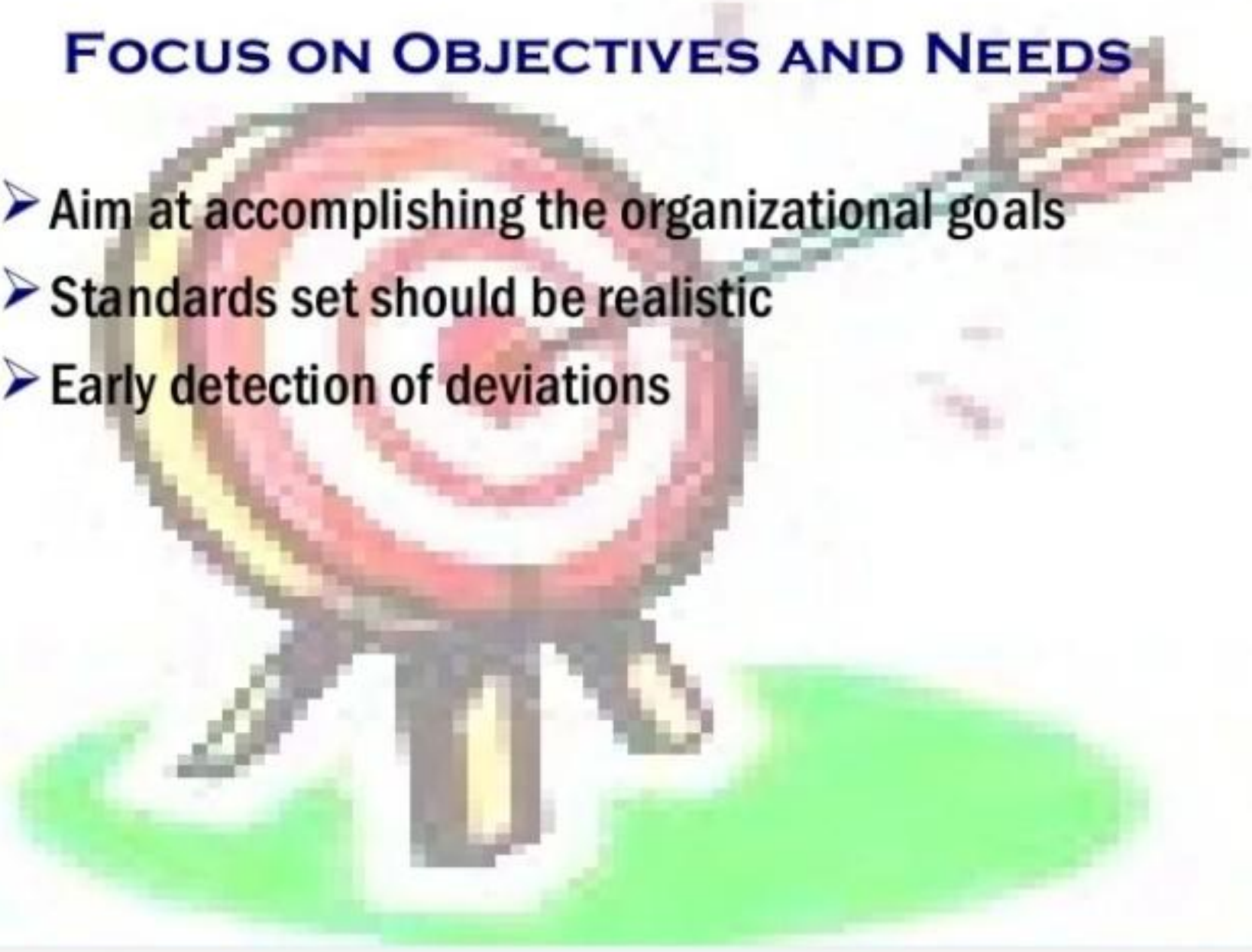
Requirements of an Effective Control System

Coordination in Action



- Actions according to plans
- Right direction
- Correct inter relationship between various factors
- Balance between ends and means

Focus on Objectives and Needs



- Aim at accomplishing the organizational goals
- Standards set should be realistic
- Early detection of deviations

Suggestive

- Merely pointing out deviations – not enough
- Lead to corrective actions
- Check undesirable deviations
- E.g. – train employees, effective supervision, revise standards

Suitability

- Control techniques – suit nature of activities
- E.g. – Different control system in a big and small organization

Simple

- Simple and easy to understand
- If complicated – employees confused – poor performance

Forward Looking

- Directed towards future
- Anticipate future requirements
- Identify situations that need new plans

Control by Exception

- Some deviations have greater impact than others
- Control every activity – not feasible
- Critical Point Control - Control significant deviations only

Flexibility

- Keep pace with changing environment
- Adaptable to new developments
- Alternative plans

MOTIVATING

- Consider human factor
- Control work not workers
- Free not restrict action
- Prevent mistake not punish

- Direct contact between controller and the controlled

ECONOMICAL
Control system – worth its cost
Justifiable expenses
Savings > Cost of control

THANK YOU